

## RESEARCH and EVALUATION

# Assessing the Institutional Capacity of External Agencies in holding Local Governments Accountable in Uganda

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## Abstract

*The Government of Uganda established external agencies as part of the control mechanisms aimed at promoting accountability in the public sector in general and local governments (LGs) in particular. The two cardinal control agencies include the Office of the Auditor General (OAG) and the Inspectorate of Government (IG), who are mandated to enhance public service through efficient and effective resource management, ensuring adherence to standards and regulations, and promoting responsiveness to community needs. In spite of these institutional controls, a surge of unbearable events involving abuse of authority and misuse of public resources still exists, suggesting significant managerial and capacity handicaps, not only in the internal mechanisms of LGs, but also in the external control agencies.*

*This paper presents findings of a study conducted to evaluate the institutional capacity of the OAG and the IG in the enhancement of accountability in local governments (LGs) in Uganda. The findings demonstrate deficiencies in institutional capacity across the spectrum of financial, human and material resources, as well as the enabling legislation and lack stakeholder support. The scenario is a recipe for encouraging public malfeasance. The paper makes a strong case for strengthening institutional capacity, through improvements in planning, resource facilitation and collaborative relations among the key stakeholders. It is argued that the establishment of a special anti-corruption court could help reduce the delays and provide appropriate corrective measures in support of accountability.*

**Keywords:** Local government, Institutional capacity, Control, Accountability

## Introduction

The competences and commitment of external agencies that are expected to serve as vanguards of public sector accountability have been repeatedly questioned, amid continued reports of local governments' mismanagement and poor service delivery in Uganda. While the reports continue to highlight weaknesses in internal controls, the external agencies of the Office of the Auditor General (OAG) and the Inspectorate of Government (IG) are, in principle, expected progressively to strengthen the internal mechanisms. In the wake of continued blame on the internal mechanisms of LGs, it becomes necessary to "audit the auditors" by undertaking institutional analysis of the external agencies' capacity to execute their mandates.

The performance of any organisation or agency largely depends on the magnitude of the responsibility/tasks before it and the strength of its institutional capacity. The institutional capacity elements include *organisational structural arrangements, human and financial resources, enabling legislation, planning capabilities*, and the *support from the agency's environment through its different stakeholders*. Regarding the public institutional capabilities to enforce accountability, there is a need for any mandated agency to attain adequate numbers of qualified, motivated and facilitated human resources, and an enabling policy environment. Also of paramount importance also is the ability to undertake meticulous corporate planning, mobilisation of sufficient financial resources, and managing intergovernmental relations (collaboration) with stakeholders.

The above aspects form the main themes of analysis in this article, upon which the capacity of the OAG and IG in enhancing accountability in Uganda's local government sphere was evaluated. The discussion begins with conceptualisation of the notions of *accountability* and *control* as espoused in management (public management). This is followed by highlights of the structure and activities of the OAG and IG, before a substantial examination of the various capacity elements associated with the two institutions is done. The paper draws on a series of key informant interviews in 2008 with senior staff from the OAG, IG, and district offices.

## Control and Accountability in Public Management

Control is a critical management function, besides planning, organising and leading/directing. Control as a managerial function and activity seeks to protect against waste and deviation from planned activities and to ensure effective human and material resources utilisation. Control guides human and organisational behaviour towards achieving goals and objectives. While policy and plans may be perfect, this alone cannot guarantee

achievement of policy objectives. Control, thus, aptly feeds the requirements of accountability in the management of organisations.

Control and accountability are critical in fostering public service provision, good governance and development. Accountability is the answerability for performance; or in the case of public sector realm, it is the obligation to expose, explain and justify actions taken on behalf of delivering services to the public (Basu, 1994). Accountability has become the cornerstone of public management because it constitutes the principle that informs the processes in which those who hold and exercise public authority can be held responsible or answerable for their actions or inactions (Aucoin and Heintzman, 2000).

The rationale for control and accountability in public administration and management has been reinforced by the ideals of good governance in which decentralised local governance is seen as a tool to promote democracy and development. But because the local systems in Uganda, as elsewhere in the developing world, lacked capacity to monitor and probe the local bureaucracies, central government institutional mechanisms, including the IG and OAG were established to promote intergovernmental relations and nurture local capacity within the framework of decentralisation. The IG and OAG in Uganda, thus, form part of the monitoring and supervision tools in intergovernmental relations, in respect of the Constitution of Uganda (1995: Article 176), which enshrines democratic decentralisation and development.

The ability to control and enhance accountability largely depends on the institutional capacity of an agency, which is derived from both the inherent/internal resources/systems and the support received from the external environment factors that can strengthen the internal processes in the achieving objectives. Thus, the capacity of the IG and OAG to control and enhance accountability in the context of this article – is viewed from two main perspectives. First is the resources at the disposal of these agencies, which facilitates or inhibits their capabilities to control (execute) the mandates. Second is the support from other agencies, exhibited in the intergovernmental relations, which has either strengthened the institutional capacity (through progressive and collaborative support) or has weakened the capacity to control by creating a dependency or by frustrating the efforts of the IG and OAG.

The above insights are explored in the following sections of this article. It is, however, imperative to first look at the nature of the workload (mandate) and structure of the OAG and IG, which forms a basis for analysing the control systems and capacity profile for these agencies.

**Structure and responsibility of the Office of Auditor-General (OAG)**

The OAG is charged with the cardinal duty of promoting accountability and good governance in public offices. In Uganda, the OAG is the *supreme audit institution* that is mandated to audit all public accounts and report to Parliament, to enable it to exercise its oversight role over the use of public resources (Constitution of Uganda, 1995: Art. 163 [3]). The OAG is required to conduct *financial* and *value-for-money* audits in respect of any income, or expenditure involving public funds, across all the spheres of government, including the local governments.

The OAG is headed by the Auditor-General as Chief Executive, assisted by the Assistant Auditor-General and an Under Secretary. The office is composed of three directorates and two departments. The directorates include central government, local government and statutory/divestiture. The departments include finance and administration, value-for-money audit, and audit development and quality assurance.

The Directorate of Local Government Audits was specifically established to supervise and coordinate the activities of various regional branches, which audit over 1000 accounts from different LGs. The OAG has established eight upcountry regional branches to ensure thorough and timely audit of all LGs including districts, municipal and town councils, and sub-counties.

While the establishment of regional OAG branch offices is commendable, the eight regional offices were found to be too few to cover the whole country and effectively scrutinise 1060 LGs' accounts, comprising 163 districts and municipal authorities, 897 lower local governments (LLGs) in form of sub-counties and town councils. The Directorate of Local Audits is overwhelmed by the magnitude of local accounts, majority of which are not audited in the stipulated time required by law, due to shortages of staff and financial facilitation.<sup>20</sup> The workload schedule of the OAG is voluminous and overstretching their capacity (Table1).

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<sup>20</sup> Interview, Director Local Audits and Senior Principal Auditor, Office of the Auditor-General, 24<sup>th</sup> October 2008

*Table 1: Distribution of accounts handled by OAG during 2006/2007*

<b>Audit Area/ Sphere</b>	<b>Total</b>	<b>Audited</b>	<b>Work-in-progress/ Carried Forward</b>
Local Governments	1060	473	587
Central Government	84	84	-
Statutory Corporations	71	50	21
Projects	99	98	1
<b>Total</b>	<b>1314</b>	<b>705</b>	<b>609</b>

*Source: Office of the Auditor General, Policy Statement, 2007*

The table indicates an overwhelming number of LG accounts that were carried forward from the previous year (587). This suggests serious capacity shortfalls in human and financial resources and system drawbacks. These shortfalls will be explored later in the paper.

### **Structure and responsibility of the Inspectorate of Government (IG)**

The IG is headed by the Inspector General of Government (IGG), deputised by the Deputy IGG and supported by the Secretary to the Inspectorate (at level of Permanent Secretary) as the Accounting Officer and the head of Finance and Administration Department. For coordination and systematic implementation of functions, the IG is structured into five directorates, headed by directors, and three units headed by senior inspectorate officers. The directorates include – *Directorate of Operations (DOP)*, *Directorate of Leadership Code (DLC)*, *Directorate of Legal Affairs (DLA)*, *Directorate of Regional Offices & Follow-up (DROFU)* and *Directorate of Education and Prevention of Corruption (DEP)*.

The relevance of this structure is that, all the directorates in one way or another work on matters pertaining to accountability in LGs. The DROFU oversees and coordinates the activities of the 10 established regional offices, which deal with complaints from districts. The DEP occasionally engages LGs and civil society in sensitisation programmes to promote accountability, while the DLA leads in prosecuting cases of corruption and abuse of office.

The IG functions and responsibilities are vast and stretch across the central and local government spheres. The IG is obliged to undertake measures to ensure the rule of law in public offices, accountability and integrity among public officials, and transparency in the exercise of administrative functions. The IG carries out investigations in instances where there is alleged corruption and abuse of office or authority, breach of the Leadership Code of Conduct by leaders specified under the Leadership Code Act (LGA), 2002, and where administrative injustice and maladministration are reported in public offices.

In the local government sphere, the IG is mandated to monitor the utilisation of Poverty Alleviation Fund (PAF), probe suspected mismanagement of Universal Primary Education (UPE) funds, School Facility Grants (SFG), Primary Health Care, Water and Sanitation, Feeder Roads Maintenance, Plan for Modernisation of Agriculture (PMA) and Local Government Development Programme (LGDP). Where corruption is found, the IG may prosecute or cause prosecution of culprits, or may undertake varying degrees of disciplinary action on mismanagement of PAF and UPE funds (IG-Report, 2007).

An illustration on the cases before the IG during 2006/2007 reveals overwhelming workload, where 4500 complaints were brought forward from the previous year; and these were added on new complaints totalling 1972, making a total workload of 6472. Of the total workload of 6472, only 1668 were concluded, leaving a balance of 4804 complaints for the period July 2006 - June 2007. This is summarised in Table 2 below.

*Table 2: IG's Workload for the July - December 2006 and January - June 2007*

	<b>Jul. – Dec. 2006</b>	<b>Jan. – Jun. 2007</b>
Complaints Brought Forward (a)	2,265	2,235
New Complaints Received (b)	875	1,097
Total Workload (c) = a + b	3,140	3,332
Investigated and Completed (d)	759	909
Referred to other Institutions (e)	146	307
Total Complaints Concluded (f) = d + e	905	1,216
Carried Forward (g) = c - f	2,235	2,116

*Source: Adapted from: IG-Reports to Parliament – 2006 & 2007*

The above reveals that a large number of complaints are not concluded within the reporting period of six months, which suggests a higher workload and serious capacity deficits.

The regional offices of the IG that handle cases from upcountry districts are also overwhelmed by the workload. The figures in Table 3 below indicate the rising trend of cases received at the regional offices outside Kampala – the IG headquarters.

Table 3: Distribution of cases received by district/regional offices of the IG

REGION	July-Dec. 2006	%	Jan.-June 2007	%
Kampala	380	43%	450	41%
Arua	46	5.3%	82	7.5%
F/Portal	69	7.9%	88	8.0%
Gulu	25	2.9%	60	5.5%
Jinja	47	5.4%	57	5.2%
Hoima	29	3.3%	30	2.7%
Kabale	83	9.5%	119	10.8%
Masaka	39	4.5%	67	6.1%
Mbale	51	5.8%	40	3.6%
Mbarara	71	8.1%	66	6.0%
Soroti	35	4.0%	38	3.5%
<b>TOTAL</b>	<b>875</b>	<b>100%</b>	<b>1097</b>	<b>100%</b>

Adapted from: IG-Reports to Parliament 2006 & 2007. The table represents overwhelming workload at regional offices that mostly handle LGs' matters.

### Human Resources Capacity

The high level of workload described above, points to the need for the IG and the OAG to have appropriate quantity and quality of human resources to execute statutory mandates. The increasing number of local authorities created as new districts in recent years has not been matched with the staffing levels at the regional offices. In a span of only two years, **2008 – 2010**, over **30** new districts have been created in Uganda by carving out and putting together sub-county territories of existing districts. It is observed that:

*The creation of new districts and many more lower local governments has placed a strain on the resources of the OAG to the point where the majority of audits in local government, especially at sub-county level are not audited and backlogs are growing.<sup>21</sup>*

The staffing situation of the OAG as represented in Table 4 shows deficiencies, with **73** vacant positions in the various units. However, this number does not represent the actual staff shortfalls, as **394** is only a ceiling set by the Ministry of Public Service, which is far below the staffing levels required to deal with the magnitude of workload.

Table 4: OAG's staffing situation as at 30<sup>th</sup> June 2008

Directorate/ Department	Approved	Filled	Vacant
AG's office	4	4	0
Central Government Accounts	88	78	10
Local Government Accounts	145	136	9
Statutory Authorities	50	39	11
Value-for-Money Audit	20	7	13
Finance & Administration	38	15	23
Support Staff	49	42	7
<b>Total</b>	<b>394</b>	<b>321</b>	<b>73</b>

Source: Office of the Auditor-General

<sup>21</sup> Interview, Director Local Audits Auditor-General's office, 24<sup>th</sup> October 2008

One of the critical and highly technical units, Value-for-Money Audit, had only 7 vacancies filled, yet its work determines the real net-worth of service delivery in LGs, against the colossal sums often spent on local programmes including the PAF, PMA, UPE and LGDP. Insufficient staff numbers have led to a high officer/workload ratio, which explains the existing backlog of cases especially at the regional IG offices.<sup>22</sup>

Other human resource capacity problems include: a high rate of employee turnover, especially in critical resource areas of lawyers, accountants, auditors and investigators, and poor pay that makes it difficult to attract and retain prosecutors in IG's office, and thus amateurs often handle high stake cases and mess them up.

The reiterations from district officials who were asked to evaluate the IG and OAG's work, aptly describes the poor human resources situation of the IG and the OAG:

*There is a big problem with the IG's staff turnover. These days they have very young and fresh graduates. In Iganga I had the experience of teaching them how local governments function, and yet these are the people supposed to monitor and evaluate what was going on. I found them very "green" about many issues. I think the IG needs better qualified staff in accounting to probe financial accountability and engineers to make proper value for audit on buildings and roads.*<sup>23</sup>

*You are coming to investigate a CAO and you send a junior officer. We have a team-leader for the OAG here; we have worked with her for sometime, but we were all surprised that she recently graduated from her first degree.*<sup>24</sup>

Nonetheless, there is some effort by the IG and the OAG to build capacity through training programmes in form of induction courses for new recruits, refresher training and skills development. The IG for example has benefited from skills training in surveillance and investigation techniques, transparency and fraud detection, combating corruption in the delivery of infrastructure services, leadership and change management, and result-oriented management.

The problem though, is that many training programmes are often short-term and spin-offs from donor projects, and they rarely address the serious institutional human resources capacity needs. Yet, the donors often, and unilaterally so, withdraw or switch funding to other 'priority' areas, which makes capacity building rather, sporadic.

<sup>22</sup> Interview, Deputy Inspector General of Government, 6<sup>th</sup> October 2008.

<sup>23</sup> Interview, Chief Administrative Officer Luwero District, 7<sup>th</sup> November 2008.

<sup>24</sup> Interview, Chief Finance Officer Luwero District, 7<sup>th</sup> November 2008



It is noteworthy, that despite the willingness on the part of many staff, especially in the middle -lower management levels to undertake training to boost their qualifications, the IG and the OAG do not offer funding for long-term training.<sup>25</sup> Many employees from the OAG have undertaken professional/chartered courses and Master's degrees, but have had to pay for themselves, sometimes having to hide from their bosses.<sup>26</sup> This limits opportunity for skills development and employee motivation, which undermines institutional capacity to foster accountability.

### Finance and Material Facilitations

The IG and OAG receive financial and technical assistance from the central government's consolidated fund and development partners. For example, the implementation of the OAG Corporate Plan (2006-2011) receives donor support from the Irish Aid, Norway, ADB, and the World Bank. The OAG's IT strategic plan receives support to introduce the new risk based financial audit methodology, along with the teammate audit management software, and several training programmes (OAG-Policy Statement, 2007).

Despite financial support, the IG and the OAG continue to face several operational problems emanating from inadequate financial resources to handle the operational costs of investigations, prosecutions, verification of declarations, education and public awareness; and other aspects of the Corporate and Development Plan (CADP). Table 5 shows part of the funding variance in the IG totalling Shs 836,953,744<sup>27</sup>.

*Table 5: Variances and funding gaps in finance and administration of the IG-CADP (Shs)*

	Activity	Corporate Plan Budget	Ministry of Finance Budget	Shortfall
1	Recruitment of 10 staff to improve service delivery	8,379,600	-	8,379,600
2	Training 100 staff in various speciality/skills	709,024,150	419,550,000	309,474,150
3	Outsourcing of skills and services	3,154,593,994	2,652,534,000	502,059,994
4	Facilitation of travel	138,792,000	121,752,000	17,040,000
	<b>Total</b>			<b>836,953,744</b>

*Source: Inspectorate of Government Corporate and Development Plan (IG-CADP, 2004-2009)*

As earlier noted, the IG and the OAG have regional offices that continue to be overwhelmed by an increasing number of LGs in the wake of new districts creation. All these regional offices operate in rented premises, which do not only constrain the limited budget outlay, but also render it cost-ineffective in the long run. The regional offices were ill-equipped; having

<sup>25</sup> Interview, Director IG-Regional offices and Follow-up, 6<sup>th</sup> October 2008

<sup>26</sup> Interview, Senior Principle Auditor, OAG 24<sup>th</sup> October 2008

<sup>27</sup> US\$1=approximately Ugandan Shs 2,000

either an old vehicle or none, inadequate office equipment and poor records storage facilities. Table 6 demonstrates material shortfalls in one of the IG's directorates, worth Shs186,600,000.

*Table 6: Logistical gaps in the IG's Directorate of operations*

	Item	Required	Available	Short-fall	Cost of shortfall
1.	Double Cabin pick-ups – 4 WD	9	6	3	180,000,000
2.	Video Cameras	2	0	2	3,000,000
3.	Photo Cameras	4	0	4	800,000
4.	Tape Recorders	6	2	4	800,000
5.	TV Screens	2	0	2	2,000,000
<b>Total</b>					<b>186,600,000</b>

*Source: Inspectorate of Government (IG-CADP, 2004-2009)*

Regarding the OAG, the agency proposed a total expenditure of Shs. 9,470,000,000/- for the financial year 2007/2008, which was viewed as a bare minimum to audit 1,314 institutions including: 84 central government ministries; 1,060 local governments; 71 State corporations; and 103 projects. To train staff and carry out 30 audit inspections, only Shs.7,740,000,000/= was provided as per the ceiling set by the Finance Ministry (OAG-Policy Statement, 2007), creating a shortfall of Shs. 1,730,000,000/=. It was no surprise that the OAG was only able to complete 705 audits out of the overall total of 1,314 during 2006/2007 (as indicated in Table 1).

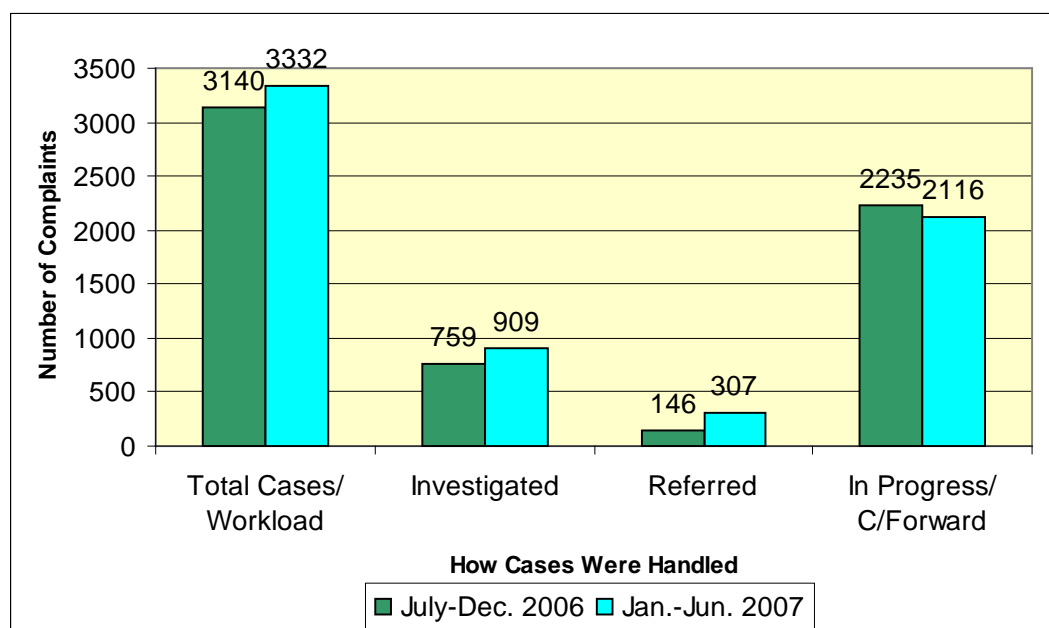
Records from the OAG indicate that staff salaries are not spared by the budgetary cuts from central government. While the OAG required Shs. 2,300,000,000 to pay salaries of 394 staff members, only Shs. 2,010,000,000 was provided by the Finance Ministry, leaving a funding deficit of Shs. 290,000,000 (OAG-Policy Statement, 2007).

The OAG has not been able to audit the activities undertaken in districts relating to the use of poverty alleviation funds (PAF), to which it is mandated. The PAF was set up to provide one route of attaining the objectives of the Poverty Eradication Action Plan (PEAP). The Auditor-General acknowledged this in his policy statement (OAG-Policy Statement, 2007).

*Due to the large number of projects undertaken under PAF in all local governments, including Sub-counties, Town Councils, Municipalities, Districts and Central Government Ministries and Departments, the OAG has found it difficult to satisfactorily cover all the areas due to inadequate resources.*

An examination of how the investigation cases before the IG were handled during the periods July-December 2006 and January-June 2007 reveals serious capacity gaps.

Figure 1: Handling of cases by IG: July - December 2006 & January - June 2007



Adapted from: IG-Reports to Parliament, 2006 and 2007

Figure 1 shows that a large number of cases, 2,235 (71%) and 2,116 (64%) for periods July-December 2006 and January-June 2007 could not be concluded owing to capacity limitations, emanating from finance, human resources and collaboration inadequacies. Only 759 (24%) and 909 (27%) for the two periods, respectively, were investigated and concluded. Such backlogs and the related capacity deficiencies undermine accountability in LGs.

### Parent and Enabling Legislation

Conventionally, all organisations are miniature replicas of the laws and regulations that create and maintain them. The legislative framework sets the jurisdictional rhythm of any organisation, in terms of functions, powers, privileges, relationships, and resource capacity. Thus, legislation becomes a major tool in analysing the institutional and functional capacity of any agency.

The study identified good and elaborate pieces of enabling legislation available to the IG and OAG to foster accountability in LGs. These include:

- The Constitution of Uganda, 1995;
- The Inspectorate of Government Act (IGA), 2002;
- The Public Finance and Accountability Act (PFAA), 2003;
- The local Governments Act (LGA), 1997;
- The Local Government Finance and Accounting Regulations, 1998;
- The Leadership Code Act, 2002;

- The Public Procurement and Disposal of Assets Act (PPDAA), 2003;
- The Prevention of Corruption Act, 1972 (as amended in 1989); and
- The Public Service Standing Orders, 1988.

The above pieces of legislation mirror the spirit of empowering the IG and OAG to execute their mandates. The law establishes the OAG as the *supreme audit institution* of Uganda with the responsibility to scrutinise, verify and report to Parliament on the propriety and regularity of the manner in which public funds are used. Likewise, the IG has powers to investigate or cause investigation of any offence or breach of public authority and may prosecute or cause prosecution of any such offenders to eliminate and foster the elimination of corruption, abuse of authority and of public office (Constitution of Uganda, 1995 (Art. 225[1]); IGA 2002 (s.8). The law also seeks to protect the independence of the IG and OAG, as they are not supposed to be subject to the direction or control of any person or authority; but only responsible to Parliament (Constitution, 1995: Art. 227; IGA, 2002: s10) and (Constitution, 1995: Art. 163[6]; PFAA, 2003: s33 [2]), respectively.

Nonetheless, the challenge is in the operationalisation and observance of the law. Compliance with the law is important because, just like in the principles of exercising justice, "it must not only be said to be done, but must be seen to be done". Despite the array of legislation, the legal regime does not seem to offer an environment that helps in deterring offenders. According to the Deputy Inspector General of Government (IGG), "the law is apparently very lenient and it does not provide deterrent sentences to perpetrators of white-collar crime that the Inspectorate prosecutes".<sup>28</sup> The law affords the magistrates a wide discretion to determine sentences and the option of a fine is often imposed. The convicted persons are thus made to pay small amounts of money as fines, which creates no deterrence to corruption.

For example, in a court case (**Uganda vs Balinda**) where the accused, an agent of Kampala City Council (KCC) was contracted to collect rates he solicited and received a bribe of Shs 500,000/=, and was sentenced to one and a half years in prison or pay a fine of Shs 30,000/= (approx. US\$15). He paid the fine and walked home (IG-Report, 2007: 62). Another case (**Uganda vs Tabaruka James**) involving a public officer who was charged and convicted of corruption and abuse of office for soliciting and receiving a bribe of Shs 2,000,000/=; the court sentenced him to either two years in prison or a fine of Shs. 300,000/= (US\$150). He paid the fine and walked away (IG-Report, 2007: 62). Such weak consequences associated with poor sanctions and actions tend to condone misconduct. According to Pauw

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<sup>28</sup> Interview, Deputy Inspector General of Government, 6<sup>th</sup> October 2008.

*et al.* (2002: 339), when the “perpetrators of corruption believe that, even if their misdeeds were discovered, the repercussions would not be strong, they can commit unethical deeds with impunity”.

Another problem in implementing the law concerns the interpretation of the powers of the IG, which have been variously challenged in the Constitutional and Supreme Courts. In the case of Mohammed Kezaala (Jinja Town Mayor) vs. the IGG and others, Miscellaneous Application No. 28 of 2009, and another case involving Mukono District Chairman Engineer Mulondo. The court reinstated the duo who had been removed from office on orders of the IGG, on the account that the IGG contravened the principles of natural justice and overstepped her power jurisdiction. The court decisions imply that, while the IG may have strong legislative capacity, its powers have to be exercised within the limits and caution on respecting the rights of local government agencies, and within the spirit of intergovernmental relations.

Regarding the OAG, there has been a failure to comply with the law as auditing of LG accounts and presentation of reports has not been done within the statutory time of end October. Accounts of LLGs of 2003/2004 were not audited by end of the financial year 2006/2007, three years after the statutory period, mainly because the OAG lacked adequate human resources and late disbursement of funds from central government (OAG-Policy Statement, 2007).

Table 7 provides a summary of status of compliance by the accounting officers in submitting accounts to the various OAG regional branch offices.

*Table 7: Status on submission of accounts by accounting officers as at 31<sup>st</sup> October 2007*

BRANCH	NO OF LGs	COMPLIANCE		NON- COMPLIANT	
		NUMBER	%	NUMBER	%
Fort portal	20	15	75	5	25%
Masaka	19	8	40	22	60%
Mbarara	22	22	100	0	0
Jinja	18	14	80	4	20%
Mbale	20	10	50	10	50%
Arua	17	-	-	-	-
Soroti	17	12	70	5	30%
Gulu	12	11	98	1	2%
Kampala	18	14	80	4	20%
KCC	1	5(of 6)	90	1	10%
<b>TOTAL</b>	<b>164</b>	<b>111</b>	<b>68%</b>	<b>53</b>	<b>32%</b>

*Source: Directorate of Audit (Local Government Accounts) OAG*

It is observed that accounting officers from HLGs who submitted accounts in compliance with the statutory time of 31<sup>st</sup> October 2007 were 111 (68%) out of 164. Accounts from 53

(32%) HLGs were not been submitted to the OAG for audit as per the statutory time of 31<sup>st</sup> of October.

### **Support from Other Agencies/Stakeholders**

The success in the battle against the ills of public sector ineptness largely depends on collaboration and support from stakeholders at national and local levels. The nature of the functions of the IG and the OAG prescribe that they must, inevitably, operate in liaison and support of other agencies and stakeholders. The IG and the OAG need to collaborate with institutions like the Presidency, Parliament, Judiciary, Police Force, Directorate of Public Prosecutions (DPP), Criminal Investigations Department (DPP), local government authorities, and civil society.

The leading support to the IG and the OAG is from international development partners, through financial and technical support. For example, the African Development Fund (ADF) provided a grant of 9 million Units of Account (UA 9,000,000) to finance the Institutional Support Project for Good Governance (ISPGG), which earmarks accountability and building institutional capacity to improve public service delivery through cross-cutting reforms in governance (OAG-Policy Statement, 2007). Other project support to the OAG include the Financial Management and Accountability Project (FINMAP 2005/06 – 2009/10) financed by DFID, the European Commission, IDA, the governments of Ireland, Netherlands, Norway, Sweden, and Japan.

The major constraint faced by the IG and the OAG is that some institutions that are supposed to be partners in fostering accountability, delay or completely ignore the IG's and the OAG's recommendations. The IG is required by the Constitution of Uganda, 1995 (Art. 231) to submit to Parliament at least once in every six months, a report on its performance and make recommendations pertaining to performance of public institutions. The IG also forwards part of its report to local government authorities, where matters concern them. In principle, Parliament and such authorities are supposed to discuss these reports and implement the recommendations.

However, Parliament and local authorities have not been enthusiastic enough on this. Parliament hardly discusses such reports, let alone following on the recommendations contained.<sup>29</sup> The reason often given to the IG is that "Parliament is very busy and occupied by equally important business".<sup>30</sup> This rather lukewarm enthusiasm towards the IG and OAG reports on the part of the Parliament does not only serve to demoralise the effort of

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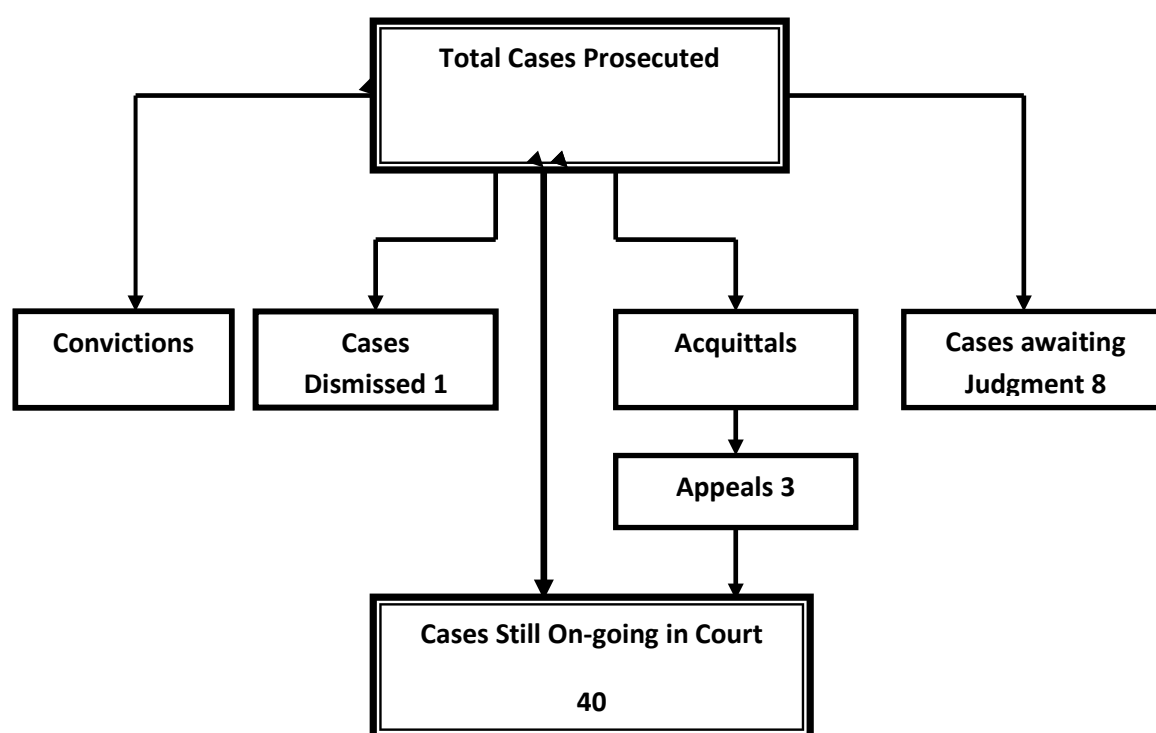
<sup>29</sup> Interview, Deputy Inspector General of Government, 6<sup>th</sup> October 2008

<sup>30</sup> Interview, DIGG, 6<sup>th</sup> October 2008

such watchdog institutions, but also squanders the opportunity to better public sector management. The need to consider reports timely and exhaustively by the relevant authorities is underscored by Hanekom and Thornhill (1986: 115) who argue that “if the compilers of reports know that they are to be analysed in detail, they are often encouraged to provide a faithful review of their activities”, and the reverse is also true.

The study revealed that, negative attitudes, corruption and intransigence in the institutions that are supposed to be partners in fighting graft frustrate the IG and the OAG. Some institutions/officials take unnecessarily long or just ignore to take action on queries raised by the IG and the OAG, against those implicated.<sup>31</sup> The CID and DPP often fail to pursue a great number of criminal cases, even when the IG and OAG have preliminarily unearthed substantial evidence against offenders<sup>32</sup>.

*Figure 2: Progress of prosecution cases handled by the IG from July 2006 – June 2007\**



*\*Cases did not necessarily commence in this period. Each case might have more than one charge  
Adapted from: IG-Reports to Parliament, 2006 and 2007*

Deficiencies in institutional collaboration also arise in prosecution of court cases. Court cases take a long time to be disposed offconcluded and this adversely affects prosecution, as witnesses get overtired, lose interest in cases, face intimidation, and some even die before ruling is delivered (IG-Report, 2007). Oftentimes, eExhibits are often lost from the courts

<sup>31</sup> Interview, Director IG-Regional offices and Follow-up, 6<sup>th</sup> October 2008

<sup>32</sup> Interview, Deputy IGG and Director IG-Regional offices, 6<sup>th</sup> October 2008

and witnesses may disappear. The delays also extend to the appellate process in the Court of Appeal. Records of proceedings from trial courts and judgment take long to be availed to the IG to formulate grounds of appeal and prosecute the appeals (IG-Report, 2007). The fFigure 2 below illustrates the court dilemmas.

Figure 2 shows that for more than a year, out of a total of 52 cases prosecuted by the IG, only 12 had been concluded (as convictions, dismissals or acquittals), and eight cases awaited judgment in the courts. A total of 40 cases were still on-going, suggesting deficiencies in offering support to the IG, from courts and other stakeholders.

### **Jurisdictional Limitations**

Jurisdictional limitations provide another challenge. While the IG and the OAG can investigate, audit, query and pass verdict on the performance of any public entity, they often have no powers to overturn the results of poor administration and managerial malfeasance. Bernt and Owen (2000) argue that, even in highly acclaimed Western democracies like Canada, the provincial ombudsmen can only afford remedial recommendations, with relatively weak mechanisms to enforce them. At best, they can forward reports to higher authorities in government. This means that the enforcement of IG and OAG recommendations sometimes relies on the voluntary will of other governmental bodies, who may chose to ignore them, after all.

### **Corporate Planning**

Contemporary management practice stresses the need for organisations periodically to examine their operating environment so as to respond timely and appropriately to the needs of the organisation and the clientele. With planning, the organisation exhibits the capacity to forecast and influence the course of future events for survival and sustainability. A corporate plan is also a performance instrument that takes stock of past experiences and builds upon them to aspire for better outcomes in the future. An elaborate, sound and viable corporate plan, thus, becomes a major indicator and tool in analysing the institutional capacity of an organisation.

The IG and the OAG have engaged in corporate planning, which shows future prospects in their role of fostering accountability and effective public management. The study reviewed the OAG's corporate plan 2006 – 2011, which earmarks, among other things to: undertake structural transformation; promote financial capacity; operational independence; improve monitoring processes and management information systems; HR retention; strengthen research, development and quality assurance. This effort demonstrates a proactive approach



to strategically improve the OAG institutional capacity and performance.

However, the focus of the OAG's corporate plan hardly took care of the need to promote collaborative relations with stakeholder agencies. Yet the need to streamline cooperation and relations with non-governmental organisations, private sector organisations and civil society is crucial to securing stakeholder support. For example, the private sector provides services to the public through contracting-out or through public-private partnerships. Private sector agencies are often culpable in conniving with public officials to flout tendering regulations and giving dismal services to the public. The NGOs also play a crucial role in monitoring and evaluating the quality of service delivery in LGs. Thus, failure to enlist them is a serious omission in planning.

On the other hand, the IG's Corporate and Development Plan (2004 – 2009) addressed important issues of future institutional capacity, including: restructuring and streamlining of IG operations and systems; undertaking needs assessment and developing HR; mobilising resources; expansion and strengthening IG regional presence; sensitisation and education; making periodic integrity surveys and system studies; enhancement of coordination and collaborations.

The drawback to IG's corporate plan, however, is that while it lays down core objectives, performance indicators and targets, it offers little detail on the specific activities and tasks to be undertaken, or their corresponding time-frames. It is apparent that the IG plan's successful implementation heavily relies on outside partners and donors whose funding is often sporadic and may not be guaranteed.

Nonetheless, the research noted that both Corporate Plans from the IG and the OAG link very well with the national development priorities as enshrined in the poverty sector-wide approach of the PEAP. The premising on the PEAP offers a vantage position in attracting partner support.

## **Conclusion**

The institutional analysis demonstrates that the external control agencies of the IG and the OAG exhibit mixed fortunes of institutional capacity. Despite the continued donor support and the high expectations of better outcomes from the IG and the OAG in pursuit of enhanced accountability and effective public management, these agencies continue to be encumbered by a torrent of financial, human and material resources limitations, as well as deficiencies in the enabling legislation and support from various stakeholders. The

deficiencies cause a backlog of cases every year, which a recipe for encouraging public malfunction and a future threat to losing public confidence in these institutions.

The battle against the ills of public sector ineptness requires stronger and committed collaboration and support from different stakeholders. This calls for improved support from Parliament, the CID, the DPP, local authorities and the courts of law to augment the IG's and the OAG's capacity. The delay to concluding court cases, which adversely affect the functioning of the IG, can hopefully be solved with the establishment of a special anti-corruption court. Given the sophistication of the means to obscure fraud and corruption, the IG and the OAG staff must be equipped with advanced and specialised investigative training to keep ahead of fraudulent practices. The corporate plans of the IG and the OAG represent a well-thought desire and effort to foster accountability and effective public management, but they should rekindle a proactive approach to strategically build and rejuvenate collaborative relations with other stakeholder agencies to augment their institutional capacity.

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